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ABSTRACT

To keep the nursing profession and other interested groups informed of the new provisions in nurse training legislation, this publication contains the complete text of Title VIII of the Public Health Service Act, as of November 18, 1971. Major provisions of the Act cover: (1) Grants for Expansion and Improvement of Nurse Training, (2) Assistance to Nursing Students, (3) Scholarship Grants to Schools of Nursing, and (4) General, which deals with the National Advisory Council on Nurse Training, noninterference with administration of institutions, definitions of terms, advance funding, and prohibition against discrimination on the basis of sex. (SB)

ED 066591

Nurse Training

Title VIII - Public Health Service Act

The Complete Law

VT016164

Nurse Training Act of 1964 (P.L. 88-581);
Allied Health Professions Personnel Training Act of 1966 (P.L. 89-751);
Title II, Health Manpower Act of 1968 (P.L. 90-490);
and Nurse Training Act of 1971 (P.L. 92-158).

DISCRIMINATION PROHIBITED--Title VI of the Civil Rights Act of 1964 states: "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, Nurse Training Act programs, like every program or activity receiving financial assistance from the Department of Health, Education, and Welfare, must be operated in compliance with this law.

U.S. DEPARTMENT OF HEALTH,
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NURSE TRAINING

Title VIII -- Public Health Service Act

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May 1972

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Public Health Service National Institutes of Health

Bureau of Health Manpower Education Division of Nursing

Bethesda, Maryland 20014

The Division of Nursing makes every effort to keep the nursing profession and other interested groups informed of the new provisions in nurse training legislation. To assist in this task, the Division presents this complete text of Title VIII of the Public Health Service Act, as of November 18, 1971.

Title VIII, Nurse Training, was added to the Public Health Service Act by the Nurse Training Act of 1964 (P.L. 88-581), and has since been amended by the Allied Health Professions Personnel Training Act of 1966 (P.L. 89-751); Title II of the Health Manpower Act of 1968 (P.L. 90-490); and the Nurse Training Act of 1971 (P.L. 92-158).

TITLE VIII—NURSE TRAINING [1]

PART A—GRANTS FOR EXPANSION AND IMPROVEMENT OF NURSE TRAINING

AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION GRANTS

SEC. 801. [2] There are authorized to be appropriated for grants to assist in the construction of new facilities for collegiate, associate degree, or diploma schools of nursing, and for grants to assist in the replacement or rehabilitation of existing facilities for such schools, $35,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, and $45,000,000 for the fiscal year ending June 30, 1974.

(b) Sums appropriated pursuant to subsection (a) for a fiscal year shall remain available for obligation through the close of the next fiscal year.

APPROVAL OF APPLICATIONS FOR CONSTRUCTION GRANTS

SEC. 802. [3] (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for grants under this part for any fiscal year must be filed.

(b) A grant for a construction project under this part may be made only if the application therefor is approved by the Secretary upon his determination that—

(1) the applicant is a public or nonprofit private school of nursing providing an accredited program of nursing education;

(2) the application contains or is supported by reasonable assurances that (A) for not less than twenty years, [4] or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe after the completion of construction, the facility will be used for the purposes of the training for which it is to be constructed, and will not be used for sectarian instruction or as a place for religious worship, (B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed, and (D) in the case of an

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[1] Title VIII added by sec. 2 of P.L. 88-581.

[2] Sec. 801(a) amended by Sec. 2(a) of PL 92-158, 11/18/71.

[3] Sec. 802(a) amended by Sec. 2(c)(1) of PL 92-158, 11/18/71.

[4] Sec. 802(b) amended by Sec. 2 (d)(3) of PL 92-158, 11/18/71.

application for a grant for construction to expand the training capacity of a school of nursing, the first-year enrollment at such school during the first full school year after the completion of the construction and for each of the nine years thereafter will exceed the highest first-year enrollment at such school for any of the five full school years preceding the year in which the application is made by at least 5 per centum of such highest first-year enrollment, or by five students, whichever is greater; 1/ and the requirements of this clause (D) shall be in addition to the requirements of Section 806(e) of this Act, where applicable.

(3)(A) in the case of an application for a grant for construction of a new facility, such application is for aid in the construction of a new school of nursing, or construction which will expand the training capacity of an existing school of nursing, or (B) 2/ in the case of an application for a grant to assist in the replacement or rehabilitation of existing facilities, such application is for aid in construction which will replace or rehabilitate facilities of, or used by, an existing school of nursing, which facilities either are so obsolete as to require the school to curtail substantially either its enrollment or the quality of the training provided or are required to meet an increase in student enrollment;

(4) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment; and

(5) the application contains or is supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5). The Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

Before approving or disapproving an application for a construction project under this part, the Secretary shall secure the advice of the National Advisory Council on Nurse Training established by section 841 (hereinafter in this part referred to as the "Council").

1/ Sec. 802(b)(2) amended by Sec. 2(f)(2) of PL 92-158, 11/18/71.
2/ Sec. 802(b)(3) amended by Sec. 2(e)(2) of PL 92-158, 11/18/71.

1/ If a school of nursing applies for a grant in a fiscal year for a construction project to expand its training capacity and if under paragraph (2) of subsection (e) of section 806 such school is not required to meet in such fiscal year the enrollment increase prescribed by such subsection because of limitations of physical facilities, the Secretary, after consultation with the National Advisory Council on Nurse Training, may waive (in whole or in part) the enrollment increase prescribed by paragraph (2) (D) of this subsection if the application for such construction project contains or is supported by reasonable assurances satisfactory to the Secretary that the number of first-year students enrolled at such school during the first full school year after the completion of such project and for each of the next nine school years thereafter will be not less than the number of first-year students that such school would be required to enroll under section 806 (e) (without regard to paragraph (2) thereof) for a grant under section 806 (a).

(c) In considering applications for grants, the Council and the Secretary shall take into account--

(1)(A) in the case of a project for a new school or for expansion of the facilities of an existing school, the relative effectiveness of the proposed facilities in expanding the capacity for the training of first-year students of nursing in the field involved and in promoting an equitable geographical distribution of opportunities for such training (giving due consideration to population, relative unavailability of nurses of the kind to be trained by such school, and available resources in various areas of the Nation for training such nurses); or

(B) in the case of a project for replacement or rehabilitation of existing facilities of a school, the relative need for such replacement or rehabilitation to prevent curtailment of the school's enrollment or deterioration of the quality of the training provided by the school, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training in the field of nursing involved (giving consideration to the factors mentioned above in paragraph (A)); and

(2) in the case of an applicant in a State which has in existence a State or local area agency involved with planning for nurse training facilities, or which participates in a regional or other interstate agency involved with planning for nurse training facilities, the relationship of the application to the construction or training program which is being developed by such agency or agencies and, if such agency or agencies have reviewed such application, any comment thereon submitted by them.

1/ Sec. 802(b) amended by Sec. 2 (f) (2) of PL 92-158, 11/18/71.

Amount of Construction Grant; Payments

Sec. 803. (a) [1] The amount of any grant for a construction project under this part shall be such amount as the Secretary [2] determines to be appropriate after obtaining the advice of the Council; except that (A) in the case of a grant (i) for a project for a new school, (ii) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, and (iii) for a major project for remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment, such amount may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and (B) in the case of any other grant, such amount may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this part, exceed 67 per centum of the necessary cost of construction, as so determined, or the project with respect to which the grant is made. [3]

(b) Upon approval of any application for a grant for a construction project under this part, the Secretary shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a); the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress, as the Secretary may determine. The Secretary's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

(c) In determining the amount of any such grant under this part, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained, or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this part, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

Sec. 804. [4] If, within twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of any construction for which funds have been paid under this part--

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1/ Sec 803(a) amended by Sec. 202 of PL 90-490, 8/16/68.
2/ Parts A,B,andC (other than section 841(a) thereof of Title VIII are each amended by Sec. 2(b)(1) of PL 92-158, 11/18/71, by striking out "Surgeon General" each place it appears and inserting in lieu thereof "Secretary"
3/ Sec. 803(a) amended by section 2(b)(1) and (2) of PL 92-158, 11/18/71.
4/ Sec. 804 amended by Sec. 2(d)(3) of PL 92-158, 11/18/71.

(a) the applicant or other owner of the facility shall cease to be a public or nonprofit private school, or

(b) the facility shall cease to be used for the training purposes for which it was constructed (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so), or

(c) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

SPECIAL PROJECT GRANTS AND CONTRACTS; FINANCIAL DISTRESS GRANTS 1/

SEC. 805. 1/ (a) From appropriations under section 808 the Secretary may make grants to public and other non-profit private schools of nursing and other public or non-profit private agencies, organizations and institutions, and enter into contracts with any public or private agencies, organizations, or institutions, to meet the costs of special projects to—

(1) assist in—

(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

(B) other cooperative arrangements among hospitals and academic institutions,

leading to the establishment of nurse training programs;

(2) develop training programs, and train, for new roles, types, or levels of nursing personnel, including programs for the training of pediatric nurse practitioners or other types of nurse practitioners;

(3) develop programs for cooperative interdisciplinary training among schools of nursing and schools of allied health, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, public health, or veterinary medicine, including training for the use of the team approach to the delivery of health services;

(4) assist in increasing the supply, or improving the distribution, of adequately trained nursing personnel or to promote the full utilization of nursing skills;

(5) effect significant improvements in the curriculums of schools of nursing;

(6) research, develop, or demonstrate advances in the various fields related to education in nursing;

(7) plan, develop, or establish new programs or modifications of existing programs of nursing education;

(8) increase educational opportunities for disadvantaged students;

(9) provide continuing education for nurses;

(10) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

(11) otherwise strengthen, improve or expand programs to train nursing personnel, or

(12) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

1/ Sec. 805 (a), (b), (c), and (d) amended by Sec. 3(b) of PL 92-158, 11/18/71.

(b) The Secretary may also make grants from appropriations under section 808 to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

(c) An application for a grant under subsection (b) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (b).

(d) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance (including assistance under this section which may be provided without regard to section 807) to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

82 Stat. 782.
42 USC 296f.

82 Stat. 781.

CAPITATION GRANTS

SEC. 806.[1/] (a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of nursing for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed as follows:

(1) Each such school shall receive—

(A) $250 for each full-time student enrolled in such school in such year (other than a student who will graduate from such school in such year);

(B) $500 for each full-time student enrolled in such school who will graduate in such year; and

(C) $100 for each enrollment bonus student (as determined under subsection (d)) enrolled in such school in such year; and

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1/ Sec. 806 amended by Sec. 4(a) of PL 92-158, 11/18/71.

(2) Each such school which has a training program for the training of nurse midwives, family health nurses, pediatric nurse practitioners, or similar nurse practitioners shall receive—

(A) $250 for each full-time student enrolled in such program in such year (other than a student who will complete the training provided under such program in such year); and

(B) $900 for each full-time student enrolled in such program who will complete the training provided under such program in such year.

(b) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made under subsection (a) for any fiscal year to schools with approved applications exceeds the amounts appropriated under subsection (i) for such grants, the amount of the grant for that fiscal year to each such school shall be an amount which bears the same ratio to the amount determined for the school for that fiscal year under subsection (a) as the total of the amounts appropriated under subsection (i) for that year bears to the amount required to make grants to each school in accordance with subsection (a).

(c) ENROLLMENT BONUS STUDENT DEFINED.—For purposes of subsection (a), a full-time student enrolled for any school year in a school of nursing shall be considered to be an enrollment bonus student if—

(1) he enrolled in such school as a first-year student for a school year beginning after June 30, 1971; and

(2) the size of the class of first-year students which enrolled in such school for such school year met the applicable requirement of subsection (d)(1)(A) or (d)(2)(A), and the application of such school for a grant under this section for the fiscal year in which such school year began met the applicable requirement of subsection (d)(1)(B) or (d)(2)(B).

Any student who is considered to be an enrollment bonus student for the school year for which he enrolled as a first-year student in a school shall be considered to be an enrollment bonus student for each school year thereafter for which he is enrolled in such school (other than as a student enrolled in a training program described in subsection (a)(2)).

(d) CLASS SIZE AND APPLICATION REQUIREMENTS FOR GRANTS FOR BONUS ENROLLMENT STUDENTS.—

(1) School year 1971–1972.—If the school year for which a class enrolled as a class of first-year students in a school was the first school year beginning after June 30, 1971—

(A) the number of students who enrolled in such class for such school year must exceed the number of first-year students who enrolled in such school for the preceding school year by 5 per centum of such number or by five students, whichever is greater; and

(B) the application of such school for a grant under this section for the fiscal year ending June 30, 1972, contains or is supported by reasonable assurances that, for the first school year beginning after June 30, 1972 and for each school year thereafter, the number of students enrolled in such school as a class of first-year students will not be less than a number equal to the sum of—

(i) the minimum enrollment of first-year students required under subparagraph (A); and

(ii) 5 per centum of the average of the first-year enrollment of full time students in such school for the two school years having the highest such enrollment during the five school years during the period of July 1, 1966, through June 30, 1971, or ten students, whichever is greater.

(2) School years after school year 1971–1972.—If the school year for which a class enrolled as a class of first-year students in a school was any school year beginning after June 30, 1972—

(A) the number of students who enrolled in such class for such school year—

(i) if such school has not previously received a grant for bonus enrollment students, must be not less than the sum of (I) the minimum number of first-year students which such school is required pursuant to subsection (e) (or would be required pursuant to subsection (e) except for paragraph (2) thereof) to enroll for such school year, and (II) 5 per centum of that number or 5 students, whichever is greater; or

(ii) if such school has previously qualified for a bonus enrollment grant under this section, must be not less than the sum of (I) the minimum number of students which such school was required, pursuant to paragraph (1) (B) or (2)(B) (as the case may be), to assure the Secretary would be enrolled for such school year, and (II) 5 per centum of that number or 5 students, whichever is greater; and

(B) the application of such school for a grant under this section for the fiscal year in which such school year begins contains or is supported by reasonable assurances that, for the first school year beginning after the close of such fiscal year and for each fiscal year thereafter, the number of students enrolled in such school as a class of first year students will not be less than the minimum number of students such school was required under subparagraph (A) to enroll as first year students.

(e) MAINTENANCE OF EFFORT AND ENROLLMENT INCREASE REQUIREMENTS.—

(1) The Secretary shall not make a grant under this section to any school in a fiscal year beginning after June 30, 1971, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary—

(A) that for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the average of the first-year enrollment of such students in such school for the two school years having the highest such enrollment during the five school years during the period July 1, 1966, through June 30, 1971, by at least 5 per centum of such average first-year enrollment, or by ten students, whichever is greater; and

(B) that the applicant will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the 3 fiscal years immediately preceding the fiscal year for which such grant is sought.

78 Stat. 909.
42 USC 296a.

The requirements of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D) of this Act, where applicable.

(2) The Secretary is authorized to waive (in whole or in part) the provisions of paragraph (1)(A) if he determines, after consultation with the National Advisory Council on Nurse Training, that the required increase in first-year enrollment of full-time students in a school cannot, because of limitations of physical facilities available to the school for training or because of other relevant factors, be accomplished without lowering the quality of training provided therein.

(f) PLAN REQUIREMENT.—

(1) In the case of a school which has not received a grant under subsection (a) in a fiscal year beginning after June 30, 1971, an application by such school for such a grant for a fiscal year beginning after that date may not be approved by the Secretary unless the application contains or is accompanied by a plan to carry out, or establish and carry out, during the two-school year period commencing not later than the first day of the fiscal year next following the fiscal year in which the grant is made, specific projects in at least three of the following categories of projects:

(A) Projects to assist in—

(i) mergers between hospital training programs or between hospital training programs and academic institutions, or

(ii) affiliation agreements with hospitals or academic institutions;

leading to the establishment of nurse training programs.

(B) Projects to train for new roles, types, or levels of nursing personnel, including programs for the training of pediatric nurse practitioners or other types of nurse practitioners, in cooperation with appropriate academic institutions or hospitals.

(C) Projects to establish cooperative intradisciplinary training among schools of nursing with a view toward establishment of interchangeable curriculum or shared use of resources.

(D) Projects to establish cooperative interdisciplinary training between schools of nursing and schools of allied health, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, public health, or veterinary medicine, including training for the use of the team approach to the delivery of health services.

(E) Projects to assist in increasing the supply of adequately trained nursing personnel or to promote the full utilization of nursing skills.

(F) Projects to effect significant improvements in the curricula of schools of nursing (including projects with a view toward the assumption of greater patient care responsibilities).

(G) Projects to provide in-service or other training and education to upgrade the skills of licensed vocational or licensed practical nurses, nursing assistants, and aides, and other paraprofessional nursing personnel.

(H) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or educationally disadvantaged.

(2) The Secretary may make on-site inspections of any school, or require the supplying of information or data from any school, receiving a grant under subsection (a) to determine the extent to which such school is carrying out the specific projects required to be included in the plan submitted by such school (pursuant to paragraph (1)) in connection with its application for such grant.

(3) The Secretary shall submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives two reports containing full and complete information as to the extent to which schools receiving grants under subsection (a) are carrying out the specific projects included in plans submitted by them pursuant to paragraph (1). The first such report shall be submitted not later than January 1, 1973, and the second such report shall be submitted not later than September 1, 1974.

(g) ENROLLMENT AND GRADUATION DETERMINATIONS.—

82 Stat. 785.
42 USC 298c.

(1) For purposes of this part and part D, regulations of the Secretary shall include provisions relating to determination of the number of students enrolled in a school, or in a particular year-class in a school, or the number of graduates, as the case may be, on the basis of estimates or on the basis of the number of students who were enrolled in a school, or in a particular year-class in a school, or were graduates, in an earlier year, as the case may be, or on such basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

(2) For purposes of this part and part D, the term 'full-time students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study in an accredited program in a school of nursing.

(h) APPLICATIONS FOR NEW SCHOOLS.—In the case of a new school of nursing which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subsection (a) shall be the number of full-time students which the Secretary determines, on the basis of assurances provided by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated $78,000,000 for the fiscal year ending June 30, 1972, $82,000,000 for the fiscal year ending June 30, 1973, and $88,000,000 for the fiscal year ending June 30, 1974, for grants under this section.

(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section.

APPLICATIONS FOR GRANTS

SEC. 807. [1/] (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications under section 805, 806, or 810 or any fiscal year must be filed.

(b) The Secretary shall not approve or disapprove any application for a grant under this part except after consultation with the National Advisory Council on Nurse Training.

(c) [1/] A grant under section 805, 806, or, 810 may be made only if the application therefor—

(1) is from a public or nonprofit private school of nursing, or, in the case of grants under section 805, 810, a public or nonprofit private agency, organization, or institution;

(2) contains such additional information as the Secretary may require to make the determinations required of him under those sections and such assurances as he may find necessary to carry out the purposes of this part; and

(3) provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under those sections

AUTHORIZATION FOR APPROPRIATIONS

SEC. 808. [2] For payments under grants and contracts under section 805(a) there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1972; $28,000,000 for the fiscal year ending June 30, 1973; and $35,000,000 for the fiscal year ending June 30, 1974. There are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1972, $10,000,000 for the fiscal year ending June 30, 1973, and $5,000,000 for the fiscal year ending June 30, 1974, to make grants under section 805(b), and, to the extent that sums appropriated under this sentence are not used for such grants, for grants under section 805(a).

1/ Sec. 807 (a) and (c) amended by Sec. 4 (c) (1), (2), (3), and (4) of PL 92-158, 11/18/71.

2/ Sec. 808 amended by Sec. 3(a) of PL 92-158, 11/18/71.

SEC. 809. 1/ (a) In order to assist nonprofit private schools of nursing to carry out construction projects for training facilities, the Secretary may, during the period beginning July 1, 1971, and ending with the close of June 30, 1974, guarantee (in accordance with this section and subject to subsection (f)) to non-Federal lenders making loans to such schools for such construction projects payment when due of the principal of and interest on any loan for construction of such facilities if the loan was made to a school which is eligible (as determined under regulations of the Secretary) for a grant under this part to assist a construction project for such facilities. The Secretary may make commitments, on behalf of the United States, to make such loan guarantees prior to the making of such loans. No such loan guarantee (1) may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant for construction under this part or any other law of the United States, exceeds 90 per centum of the cost of construction of the project, or (2) may apply to more than 90 per centum of the loss of principal of and interest on the loan.

(b) In the case of any nonprofit private school of nursing which is eligible (as determined under regulations of the Secretary) for a grant under this part to assist a construction project for training facilities, and to whom a loan has been made by a non-Federal lender to assist it in carrying out such project, the Secretary, during the period beginning July 1, 1971, and ending with the close of June 30, 1974, may, subject to subsection (f), pay to the holder of such loan (and for and on behalf of the school which received such loan) amounts sufficient to reduce by not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

(c) A loan guarantee or interest subsidy payment may be made under this section only upon an application (submitted in such manner and containing such information as the Secretary may by regulations require) approved by the Secretary. The Secretary may not approve an application for a loan guarantee or interest subsidy payment unless he determines that the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may not approve an application for a loan guarantee, unless he determines that the loan would not be available on reasonable terms and conditions without the guarantee under this section.

(d)(1) The United States shall be entitled to recover from any school of nursing for whom a loan guarantee was made under this section the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

1/ Sec. 809 added by Sec.2(c) of PL 92-158, 11/18/71.

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(2) To the extent permitted by paragraph (3), any terms and conditions applicable to a loan guarantee under this section may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

(3) Any loan guarantee made by the Secretary pursuant to this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

(e) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed $1,000,000 in the fiscal year ending June 30, 1972, $2,000,000 in the fiscal year ending June 30, 1973, and $4,000,000 in the fiscal year ending June 30, 1974. There shall also be deposited in the fund amounts received by the Secretary or other property or assets derived by him from his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

40 Stat. 288.
31 USC 774.

(f) (1) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

(2) In any fiscal year no loan guarantee may be made under subsection (a) and no agreement to make interest subsidy payments may be entered into under subsection (b) if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

(A) the principal of the loans guaranteed under subsection (a) in such fiscal year, and

(B) the principal of the loans for which no guarantee has been made under subsection (a) and with respect to which an agreement to make interest subsidy payments is entered into under subsection (b) in such fiscal year,

to exceed the amount of grant funds obligated under this part in such fiscal year for construction grants; except that this paragraph shall not apply if the amount of grant funds so obligated in such fiscal year equals the sums appropriated for such fiscal year under section 801.

(g) The Secretary, with the consent of the Secretary of Housing and Urban Development, may obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this section as will promote efficiency and economy thereof.

START-UP GRANTS FOR NEW NURSE TRAINING PROGRAMS

SEC. 810. 1/ (a) The Secretary may make grants to any public or nonprofit private entity to assist in meeting the costs of planning, developing, or initiating new programs of nurse training. In considering applications for grants under this section, the Secretary shall take into account—

(1) the number of students proposed to be enrolled in such program, and

(2) the other resources available to such program.

(b) The Secretary shall give special consideration to each application for grant assistance under this section for a new program of nurse training which contains or is reasonably supported by assurances that, because of the use that the program will make of existing facilities (including Federal medical facilities), it will be able to accelerate the date on which it will begin its teaching program.

(c) The amount of any grant under this section shall be determined by the Secretary, but in no event may any grant exceed $100,000 for any fiscal year. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

1/ Sec. 810 added by Sec.4 (b) of PL 92-158, 11/18/71.

(d) There are authorized to be appropriated to carry out this section not to exceed $4,000,000 for the fiscal year ending June 30, 1972, $8,000,000 for the fiscal year ending June 30, 1973, and $12,000,000 for the fiscal year ending June 30, 1974. Sums appropriated under this subsection shall remain available until expended.

PART B—ASSISTANCE TO NURSING STUDENTS

TRAINEESHIPS FOR ADVANCED TRAINING OF PROFESSIONAL NURSES

SEC. 821. (a) [1/]There are authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1965, $9,000,000 for the fiscal year ending June 30, 1966, $10,000,000 for the fiscal year ending June 3, 1967, $11,000,000 for the fiscal year ending June 30, 1968, $12,000,000 for the fiscal year ending June 30, 1969, $15,000,000 for the fiscal year ending June 30, 1970, $19,000,000 each for the fiscal year ending June 30, 1971, $20,000,000 for the fiscal year 1972, $22,000,000 for fiscal year ending June 30, 1973, and $24,000,000 for fiscal year ending June 30, 1974, and the next fiscal year, to cover the cost of traineeships for the training of professional nurses (including practical nurse training), to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties determined by the Secretary to require advanced training,

(b) Traineeships under this section shall be awarded by the Secretary through grants to public or nonprofit private institutions providing the training.

(c) Payments to institutions under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

LOAN AGREEMENTS

SEC. 822. (a) The Secretary of Health, Education, and Welfare is authorized to enter into an agreement for the establishment and operation of a student loan fund in accordance with this part with any public or nonprofit private school of nursing which is located in a State. 42 U.S.C. 297a

(b) [2/]Each agreement entered into under this section shall—

(1) provide for establishment of a student loan fund by the school;

(2) provide for deposit in the fund, except as provided in section 829, of (A) the Federal capital contributions paid under this part to the school by the Secretary, (B) an additional amount from other sources equal to not less than one-ninth of such Federal capital contributions, (C) collections of principal and interest on loans made from the fund, (D) collections pursuant to section 823 (f) and (e) any other earnings of the fund;

1/ Sec. 821(a) amended by Sec. 5 of PL 92-158, 11/18/71.

2/ Sec. 822(b) amended by sec. 222(a) and subsec. 222(c)(2) of P.L. 90-490; effective for loans made after June 30, 1969.

(3) provide that the fund, except as provided in section 829, shall be used only for loans to students of the school in accordance with the agreement and for costs of collection of such loans and interest thereon;

(4) provide that loans may be made from such fund only to students pursuing a full-time or half-time course of study at the school leading to a baccalaureate or associate degree in nursing or an equivalent degree or a diploma in nursing, or to a graduate degree in nursing, and that while the agreement remains in effect no such student who has attended such school before July 1, 1974, shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958; and 1/

(5) contain such other provisions as are necessary to protect the financial interests of the United States.

LOAN PROVISIONS

SEC. 823. 2/ (a) The total of the loans for any academic year (or its equivalent, as determined under regulations of the Secretary) made by schools of nursing from loan funds established pursuant to agreements under this part may not exceed $2,500 in the case of any student. The aggregate of the loans for all years from such funds may not exceed $10,000 in the case of any student. In the granting of such loans, a school shall give preference to licensed practical nurses and to persons who enter as first-year students after enactment of this title.

(b) Loans from any such student loan fund by any school shall be made on such terms and conditions as the school may determine; subject, however, to such conditions, limitations, and requirements as the Secretary of Health, Education, and Welfare may prescribe (by regulation or in the agreement with the school) with a view to preventing impairment of the capital of such fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

(1) such a loan may be made only to a student who 3/ (A) is in need of the amount of the loan to pursue a full-time or half-time course of study at the school leading to a baccalaureate or associate degree in nursing or an equivalent degree, or a diploma in nursing, or a graduate degree in nursing, and (B) is capable, in the opinion of the school, of maintaining good standing in such course of study;

1/ Sec. 822(4) amended by Sec. 6(d) (2) and (3) of PL 92-158, 11/18/71.

2/ Sec. 823(a) amended by Sec. 6 (a)(2) of PL 92-158, 11/18/71.

3/ Sec. 823(b) amended by Sec. 6(a) of PL 92-158, 11/18/71.

(2) [1] such a loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins nine months after the student ceases to pursue a full-time or half-time course of study at a school of nursing, excluding from such 10-year period all (A) periods (up to three years) of (i) active duty performed by the borrower as a member of a uniformed service, or (ii) service as a volunteer under the Peace Corps Act, and (B) periods (up to five years) during which the borrower is pursuing a full-time course of study at a collegiate school of nursing leading to baccalaureate degree in nursing or an equivalent degree, or to graduate degree in nursing, or is otherwise pursuing advanced professional training in nursing;

[2] (3) an amount up to 85 per centum of any such loan (plus interest thereon) shall be canceled for full-time employment as a professional nurse (including teaching in any of the fields of nurse training and service as an administrator, supervisor, or consultant in any of the fields of nursing) in any public or nonprofit private agency, institution, or organization (including neighborhood health centers), at the rate of 15 per centum of the amount of such loan (plus interest) unpaid on the first day of such service for each of the first, second, and third complete year of such service, and 20 per centum of such amount (plus interest) for each complete fourth and fifth year of such service; 78 Stat. 914; 82 Stat. 784.

(4) the liability to repay the unpaid balance of such loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently and totally disabled;

(5) [3] such a loan shall bear interest on the unpaid balance of the loan, computed only for periods during which the loan is repayable, at the rate of 3 per centum per annum;

1/ Sec. 823(b)2 amended by Sec.6(e)of PL 92-158, 11/18/71.
2/ Sec. 823(b)(3) amended by Sec. 6(b)(1)(A) of PL 92-158, 11/18/71.

3/Subsec. 823(b)(5) amended by sec. 222(b)(4) of P.L. 90-490 by deletion of several clauses. This amendment applies to all loans made after June 30, 1969.

(6) such a loan shall be made without security or endorsement, except that if the borrower is a minor and the note or other evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required;

(7) no note or other evidence of any such loan may be transferred or assigned by the school making the loan except that, if the borrower transfers to another school participating in the program under this part, such note or other evidence of a loan may be transferred to such other school.

(c) Where all or any part of a loan, or interest, is canceled under this section, the Secretary of Health, Education, and Welfare shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

(d) Any loan for any year by a school from a student loan fund established pursuant to an agreement under this part shall be made in such installments as may be provided in regulations of the Secretary or such agreement and, upon notice to the Secretary by the School that any recipient of a loan is failing to maintain satisfactory standing, any or all further installments of his loan shall be withheld, as may be appropriate.

(e) An agreement under this part with any school shall include provisions designed to make loans from the student loan fund established thereunder reasonably available (to the extent of the available funds in such fund) to all eligible students in the school in need thereof.

(f) 1/ Subject to regulations of the Secretary, a school may assess a charge with respect to a loan from the loan fund established pursuant to an agreement under this part for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment of the loan under subsection (b)(2) or cancellation of part or all of the loan under subsection (b)(3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed $1 for the first month or part of a month by which such installment or evidence is late and $2 for each such month or part of a month thereafter. The school may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the school not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

(g) 1/ A school may provide in accordance with regulations of the Secretary, that during the repayment period of a loan from a loan fund established pursuant to an agreement under this part payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds so established shall be at a rate equal to not less than $15 per month.

1/ Secs. 823 (f) and (g) added by subsec. 222(c)(1) of P.L. 90-490, effective for loans made after June 30, 1969.

1/ (h)(1) In the case of any individual—

(A) who has received a baccalaureate or associate degree in nursing (or an equivalent degree), a diploma in nursing, or a graduate degree in nursing;

(B) who obtained (A) one or more loans from a loan fund established under this part, or (B) any other educational loan for nurse training costs; and

(C) who enters into an agreement with the Secretary to serve as a nurse for a period of at least two years in an area in a State determined by the Secretary, after consultation with the appropriate State health authority (as determined by the Secretary by regulations), to have a shortage of and need for nurses;

the Secretary shall make payments in accordance with paragraph (2), for and on behalf of that individual, on the principal of and interest on any loan of that individual described in subparagraph (B) of this paragraph which is outstanding on the date the individual begins the service specified in the agreement described in subparagraph (C) of this paragraph.

(2) The payments described in paragraph (1) shall be made by the Secretary as follows:

(A) Upon completion by the individual for whom the payments are to be made of the first year of the service specified in the agreement entered into with the Secretary under paragraph (1), the Secretary shall pay 30 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1)(B) which is outstanding on the date he began such practice.

(B) Upon completion by that individual of the second year of such service, the Secretary shall pay another 30 per centum of the principal of, and the interest on each such loan.

(C) Upon completion by that individual of a third year of such service, the Secretary shall pay another 25 per centum of the principal of, and the interest on each such loan.

(3) Notwithstanding the requirement of completion of practice specified in paragraph (2), the Secretary shall, on or before the due date thereof, pay any loan or loan installment which may fall due within the period of service for which the borrower may receive payments under this subsection, upon the declaration of such borrower, at such times and in such manner as the Secretary may prescribe (and supported by such other evidence as the Secretary may reasonably require), that the borrower is then engaged as described by paragraph (1) or paragraph (2)(C), and that the borrower will continue to be so engaged for the period required (in the absence of this paragraph) to entitle the borrower to have made the payments provided by this subsection for such period; except that not more than 85 per centum of the principal of any such loan shall be paid pursuant to this paragraph.

(4) A borrower who fails to fulfill an agreement with the Secretary entered into under paragraph (1) or assurances provided pursuant to paragraph (2)(C) shall be liable to reimburse the Secretary for any payments made pursuant to paragraph (2)(A) or paragraph (3) in consideration of such agreement.

1/ Sec. 823(h)and (1) added by Sec. 6(b)(1)(B) of PL 92-158, 11/18/71.

(i) Notwithstanding the amendment made by section 6 (b) of the Nurse Training Act of 1971 to this section—

(A) any person who obtained one or more loans from a loan fund established under this part, who before the date of the enactment of the Nurse Training Act of 1971 became eligible for cancellation of all or part of such loans (including accrued interest) under this section (as in effect on the day before such date), and who on such date was not engaged in a service for which loan cancellation was authorized under this section (as so in effect), may at any time elect to receive such cancellation in accordance with this subsection (as so in effect); and

(B) in the case of any person who obtained one or more loans from a loan fund established under this part and who on such date was engaged in a service for which cancellation of all or part of such loans (including accrued interest) was authorized under this section (as so in effect), this section (as so in effect) shall continue to apply to such person for purposes of providing such loan cancellation until he terminates such service.

Nothing in this subsection shall be construed to prevent any person from entering into an agreement for loan cancellation under subsection (h) (as amended by section 6 (b) (2) of the Nurse Training Act of 1971).

Authorization of Appropriations for Loans

42 USC 297c

Sec. 824.[1] There are authorized to be appropriated to the Secretary of Health, Education, and Welfare for Federal capital contributions to student loan funds pursuant to section 822(b)(2)(A) $3,100,000 for the fiscal year ending June 30, 1965, $8,900,000 for the fiscal year ending June 30, 1966, $16,800,000 for the fiscal year ending June 30, 1967, $25,300,000 for the fiscal year ending June 30, 1968, $30,900,000 for the fiscal year ending June 30, 1969, $20,000,000 for the fiscal year ending June 30, 1970, and $21,000,000 for the fiscal year ending June 30, 1971, $25,000,000 for the fiscal year ending June 30, 1972, $30,000,000 for the fiscal year ending June 30, 1973, and $35,000,000 for the fiscal year ending June 30, 1974, and such sums for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years as may be necessary to enable students who have received a loan for any academic year ending before July 1, 1974, to continue or complete their education. Sums appropriated pursuant to this section for the fiscal year ending June 30, 1967, or any subsequent fiscal year shall be available to the Secretary (1) for payments into the fund established by section 827(d), and (2) in accordance with agreements under this part, for Federal capital contributions to schools with which such agreements have been made, to be used, together with deposits in such funds pursuant to section 822(b)(2)(B), for establishment and maintenance of student loan funds, and (3) for transfers pursuant to section 829.

Allotments and Payments of Federal Capital Contributions

42 USC 297d

Sec. 825. (a) [2] From the sums appropriated pursuant to section 824 for any fiscal year, the Secretary shall allot to each school an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in such school bears to the total number of persons enrolled on a full-time basis in all schools of nursing in all the States. The number of persons enrolled on a full-time basis in schools of nursing for purposes of this section shall be determined by the Secretary for the most recent year for which satisfactory data are available to him. For purposes of allotments under this section, a school of nursing also includes any school with which the Secretary has, prior to the time the allotment is made, entered into an agreement for establishment of a student loan fund under this part. Funds available in any fiscal year for payment to schools under this part (whether as Federal capital contributions or as loans to schools under section 827) which are in excess of the amount appropriated pursuant to section 824 for that year shall be allotted among States and among schools within States in such manner as the Secretary determines will best carry out the purposes of this part.

1/ Sec. 824 amended by Sec 6(c) of PL 92-158, 11/18/71.

2/ Sec. 825(a) amended by sec. 222(e) of PL 90-490, 8/16/68.

(b)(1)[1/] The Secretary shall from time to time set dates by which schools of nursing in a State must file applications for Federal capital contributions, and for loans pursuant to section 827, from the allotment of such State under the first two sentences of subsection (a) of this section.

(2) If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State exceeds the amount of the allotment of such State for that fiscal year, the amounts to be paid to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application or (B) an amount which bears the same ratio to the amount of the allotment of such State as the number of students who will be enrolled full time in such school during such fiscal year bears to the total number of students who will be enrolled full time in all such schools in such State during such year. Amounts remaining after allotment under the preceding sentence shall be redistributed in accordance with clause (B) of such sentence among schools which in their applications requested more than the amounts so paid to their loan funds, but with such adjustments as may be necessary to prevent the total paid to any such school's loan fund from exceeding the total so requested by it. If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State is less than the amount of the allotment of such State for that fiscal year, the Secretary may reallot the remaining amount from time to time, on such date or dates as he may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year. For the purpose of this section, the number of students who graduated from secondary schools in each State during a fiscal year and the number of students who will be enrolled full time in schools of nursing in each State shall be estimated by the Secretary of Health, Education, and Welfare on the basis of the best information available to him; and in making such estimates, the number of students enrolled full time in any collegiate school of nursing shall be deemed to be twice their actual number.

[1/] Section 825(b)(1) amended by sec. 6(c)(2) of PL 89-751, 11/3/66.

(c) The Federal capital contributions to a loan fund of a school under this part shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

Distribution of Assets from Loan Funds 42 USC 297e

Sec. 826.[1/] (a) After June 30, 1977, and not later than September 30, 1975, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 822(b) by each school as follows:

(1) The Secretary of Health, Education, and Welfare shall first be paid an amount which bears the same ratio to such balance in such fund at the close of June 30, 1977, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 822(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 822(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After September 30, 1977, each school with which the Secretary has made an agreement under this part shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after June 30, 1977, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement (other than so much of such fund as relates to payments from the revolving fund established by section 827(d)) as was determined for the Secretary under subsection (a).

1/ Sec. 826 amended by Sec. 6(d) of PL 92-158, 11/18/71.

Loans to Schools

SEC. 827.[1/] (a) (1)[2/] During the fiscal years ending June 30, 1967, and June 30, 1968, and each of the next six fiscal years the Secretary may make loans, from the revolving fund established by subsection (d), to any public or nonprofit private school of nursing which is located in a State, to provide all or part of the capital needed by any such school for making loans to students under this section (other than capital needed to make the institutional contributions required of schools by section 322(b)(2)(B)). Loans to students from such borrowed sums shall be subject to the terms, conditions, and limitations set forth in section 823. The requirement in section 822(b)(2)(B) with respect to institutional contributions by schools to student loan funds shall not apply to loans made to schools under this section.

42 USC 297a.

42 USC 297b.

(2) A loan to a school under this section may be upon such terms and conditions, consistent with applicable provisions of section 822, as the Secretary deems appropriate. If the Secretary deems it to be necessary to assure that the purposes of this section will be achieved, these terms and conditions may include provisions making the school's obligation to the Secretary on such a loan payable solely from such revenues or other assets or security (including collections on loans to students) as the Secretary may approve. Such a loan shall bear interest at a rate which the Secretary determines to be adequate to cover (A) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Secretary under this section, and (B) probable losses.

Payments to Schools To Cover Certain Costs Incurred in Making Student Loans From Borrowed Funds

(b) If a school of nursing borrows any sums under this section, the Secretary shall agree to pay to the school (1) an amount equal to 90 per centum of the loss to the school from defaults on student loans made from such sums, (2) the amount by which the interest payable by the school on such sums exceeds the interest received by it on student loans made from such sums, (3) an amount equal to the amount of collection expenses authorized by section 822(b)(3) to be paid out of a student loan fund with respect to such sums and (4) the amount of principal which is canceled pursuant to section 823(b)(3) or (4) with respect to student loans made from such sums. There are authorized to be appropriated without fiscal-year limitation such sums as may be necessary to carry out the purposes of this subsection.

1/ Sec. 827 amended by:
(a) Sec. 6(a) of P.L. 89-751.
(b) Sec. 6(e)(1) of P.L. 89-751, to "* * * be effective in the case of payments to student loan funds made after the enactment of this Act, except in the case of payments pursuant to commitments (made prior to enactment of this Act) to make loans under section 827 of the Public Health Service Act as in effect prior to the enactment of this Act."
(c) Sec. 6(e)(2) of P.L. 89-751, to authorize the Secretary of Health, Education, and Welfare, "* * * at the request of any institution, to take such steps as are necessary to convert a Federal capital contribution (which shall include the amount allocated to it under section 822(b)(2)(A) of the Public Health Service Act) to a student loan fund of such institution, made under title VIII of the Public Health Service Act from funds appropriated pursuant thereto for the fiscal year ending June 30, 1967, to a loan under section 827 of such Act as amended by this Act."

2/ Sec. 827(a) amended by Sec. 6(d)(2) of PL 92-158, 11/18/71.

Limitation on Loans

(c) The total of the loans made in any fiscal year under this section shall not exceed the lesser of (1) such limitations as may be specified in appropriation Acts, and (2) the difference between $35,000,000 and the amount of Federal capital contributions paid under this title for that year.

Revolving Fund

(d)(1) There is hereby created within the Treasury a nurse training fund (hereinafter in this section called "the fund") which shall be available to the Secretary without fiscal-year limitation as a revolving fund for the purposes of this section. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act, 31 U.S.C. 847–849) for wholly owned Government corporations.

(2) The fund shall consist of appropriations paid into the fund pursuant to section 824, appropriations made pursuant to this subsection, all amounts received by the Secretary as interest payments or repayments of principal on loans under this section, and any other moneys, property, or assets derived by him from his operations in connection with this section (other than subsection (b)), including any moneys derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets, of the fund.

(3) All loans, expenses (other than normal administrative expenses), and payments pursuant to operations of the Secretary under this section (other than subsection (b)) shall be paid from the fund, including (but not limited to) expenses and payments of the Secretary in connection with the sale, under section 302(c) of the Federal National Mortgage Association Charter Act, of participations in obligations acquired under this section. From time to time, and at least at the close of each fiscal year, the Secretary shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amount of approprations paid out for loans under this section, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Secretary determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

(4) In addition to the sums authorized to be appropriated by section 824, there are authorized to be appropriated to the fund established by this subsection $2,000,000 for the fiscal year ending June 30, 1967.

Administrative Provisions

42 USC 297g

Sec. 828. The Secretary may agree to modifications of agreements or loans made under this part, and may compromise, waive, or release any right, title, claim, or demand of the United States arising or acquired under this part.

TRANSFERS TO SCHOLARSHIP PROGRAM

SEC. 829.[1/] Not to exceed 20 per centum of the amount paid to a school from the appropriation for any fiscal year for Federal capital contributions under an agreement under this part, or such larger percentage thereof as the Secretary may approve, may be transferred to the sums available to the school under part D to be used for the same purpose as such sums. In the case of any such transfer, the amount of any funds which the school deposited in its student loan fund pursuant to section 822(b)(2)(B) with respect to the amount so transferred may be withdrawn by the school from such fund.

[2/]

82 Stat. 785.
42 USC 297h.

SEC. 830. (a) Upon application by a person who received, and is under an obligation to repay, any loan made to such person as a nursing student, the Secretary may undertake to repay (without liability to the applicant) all or any part of such loan, and any interest or portion thereof outstanding thereon, upon his determination, pursuant to regulations establishing criteria therefor, that the applicant—

(1) failed to complete the nursing studies with respect to which such loan was made;

(2) is in exceptionally needy circumstances;

(3) is from a low-income or disadvantaged family as those terms may be defined by such regulations; and

(4) has not resumed, or cannot reasonably be expected to resume, such nursing studies within two years following the date upon which the applicant terminated the studies with respect to which such loan was made.

78 Stat. 915;
82 Stat. 784.

(c) AUTHORIZATION LEVEL.—Section 824 (42 U.S.C. 297c) is amended (1) by striking out "and $21,000,000" and all that follows up to, and including, the word "education", and inserting in lieu of the matter stricken the following: "$21,000,000 for the fiscal year ending June 30, 1971, $25,000,000 for the fiscal year ending June 30, 1972, $30,000,000 for the fiscal year ending June 30, 1973, and $35,000,000 for the fiscal year ending June 30, 1974, and such sums for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years as may be necessary to enable students who have received a loan for any academic year ending before July 1, 1974, to continue or complete their education .

1/Sec. 829 added by sec. 222(h) of P.L. 90-490, effective with respect to appropriations for fiscal years after June 30, 1969.

2/ Sec. 830 added by Sec. 6(b)(2) of PL 92-158, 11/18/71.

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PART C—GENERAL

NATIONAL ADVISORY COUNCIL ON NURSE TRAINING; REVIEW COMMITTEE

SEC. 841.[1/] (a)(1) There is hereby established a National Advisory Council on Nurse Training, consisting of the Secretary (or his delegate), who shall be Chairman, and the Commissioner of Education, both of whom shall be ex officio members, and nineteen members appointed by the Secretary without regard to the civil service laws. Three of the appointed members shall be selected from full-time students enrolled in schools of nursing, four shall be selected from among leading authorities in the various fields of nursing, higher, and secondary education, and from representatives of hospitals and other institutions and organizations which provide nursing services. The student-members of the Council shall be appointed for terms of one year and shall be eligible for reappointment to the Council. 42 U.S.C. 298

(2) The Council shall advise the Secretary in the preparation of general regulations and with respect to policy matters arising in the administration of this title, and in the review of applications for construction projects under part A, and of applications under section 805.

(b) The Secretary of Health, Education, and Welfare shall, prior to July 1, 1967, and without regard to the civil service laws, appoint a committee, consisting of members of the public, of various groups particularly interested in or expert in matters relating to education of various types of nurses, for the purpose of reviewing the programs authorized by this title and making recommendations with respect to continuation, extension, and modification of any of such programs. A report of the findings and recommendations of such committee shall be submitted to the Secretary not later than November 1, 1967, after which date such committee shall cease to exist. The Secretary shall submit such report, together with his comments and recommendations thereon to the Congress on or before January 1, 1968.

(c)[2/] * * *

1/ Sec. 841 amended by Sec. 9(1) and (2) of PL 92-158, 11/18/71.

2/ Sec. 841(c) deleted by sec. 601(b)(2) of P.L. 91-515.

NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

SEC. 842. Nothing contained in this title shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any institution.

DEFINITIONS

42 U.S.C. 298b

SEC. 843. For purposes of this title—

(a) [1/] the term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, the Canal Zone, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands.

(b) the term "school of nursing" means a collegiate, associate degree, or diploma school of nursing.

(c) [2/] the term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing, and including advanced training related to such program of education provided by such school, but only if such program, or such unit, college or university is accredited.

(d) [3/] the term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively a two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree, but only if such program, or such unit, college, or university is accredited.

(e) [4/] the term "diploma school of nursing" means a school affiliated with a hospital or university, or an independent school, which provides primarily or

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1/ Sec. 843(a) amended by sec. 203 of P.L. 90–490.

2/ Sec. 843(c) amended by: (a) Sec. 204 of P.L. 90–490 by adding clause after "degree in nursing," effective with respect to appropriations for fiscal years after June 30, 1969; and (b) secs. 231 (a) and (c) of P.L. 90–490.

3/ Sec. 843(d) amended by sec. 231(d) of P.L. 90–490.

4/ Sec. 843(e) amended by secs. 231(a) and 231(e) of P.L. 90–490.

exclusively a program of education in professional nursing and allied subjects leading to a diploma or to equivalent indicia that such program has been satisfactorily completed, but only if such program, or such affiliated school or such hospital or university or such independent school is accredited.

(f) [1/] the term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Commissioner of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Commissioner of Education, except that a program, or a hospital, school, college, or university (or unit thereof), which is not, at the time of the application under this title, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of this title in the following cases if the Commissioner of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the program, or the hospital, school, college, or university (or unit thereof), will meet the accreditation standards of such body or bodies (1) in the case of an applicant under part A for a grant for a project for construction of a new school (which shall include a school that has not had a sufficient period of operation to be eligible for accreditation), (A) upon completion of such project and other construction projects (if any) then under construction or planned and to be commenced within a reasonable time, or (B) if later, then prior to the beginning of the first academic year following the normal graduation date of the first entering class in such school; (2) [1/] in the case of a school applying for a grant under section 806 for any fiscal year, prior to the beginning of the first academic year following the normal graduation date of the class which is the entering class for such fiscal year (or is the first such class in such year if there is more than one); and (3) in the case of a school seeking an agreement under part B for establishment of a student loan fund, prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in

[1/] Sec. 843(f) amended by secs. 231 (f) and (g) of P.L. 90-490. Subsec. 843(f)(2) amended by sec. 213 of P.L. 90-490, effective with respect to appropriations for fiscal years after June 30, 1969.

which the agreement with such school is made under part B; except that the provisions of this clause (3) shall not apply for purposes of section 825.

For the purpose of this paragraph, the Commissioner of Education shall publish a list of recognized accrediting bodies, and of State agencies, which he determines to be reliable authority as to the quality of training offered.

(g) The term "nonprofit" as applied to any school, agency, organization, or institution means one which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(h) The term "secondary school" means a school which provides secondary education, as determined under State law except that it does not include any education provided beyond grade 12.

(i) The terms "construction" and "cost of construction" include (1) the construction of new buildings, and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land (except in the case of acquisition of an existing building), off-site improvements, living quarters, or patient-care facilities, and (2) equipping new buildings and existing buildings, whether or not acquired, expanded, remodeled, or altered. 1/ For purposes of this paragraph, the term "buildings" includes interim facilities

85 STAT. 468

78 Stat. 918.

(j) 2/ The term 'interim facilities' means teaching facilities designed to provide teaching space on a short-term (less than ten years) basis while facilities of a more permanent nature are being planned and constructed.

ADVANCE FUNDING

SEC. 844. 3/ Any appropriation Act which appropriates funds for any fiscal year for grants, contracts, or other payments under this title may also appropriate for the next fiscal year the funds that are authorized to be appropriated for such payments for such next fiscal year; but no funds may be made available therefrom for obligation for such payments before the fiscal year for which such funds are authorized to be appropriated.

1/ Sec. 843(i) amended by Sec. 2(d)(1) of PL 92-158, 11/18/71.
2/ Sec. 843(j) added by Sec. 2(d)(2) of PL 92-158, 11/18/71.
3/ Sec. 844 added by Sec. 10 of PL 92-158, 11/18/71.

PROHIBITION AGAINST DISCRIMINATION BY SCHOOLS ON THE BASIS OF SEX

SEC. 845. [1/] The Secretary may not make a grant, loan guarantee, or interest subsidy payment under this title to, or for the benefit of, any school of nursing unless the application for the grant, loan guarantee, or interest subsidy payment contains assurances satisfactory to the Secretary that the school will not discriminate on the basis of sex in the admission of individuals to its training programs. The Secretary may not enter into a contract under this title with any school unless the school furnishes assurances satisfactory to the Secretary that it will not discriminate on the basis of sex in the admission of individuals to its training programs. 42 USC 298.

1/ Sec. 845 added by Sec. 11 of PL 92-158, 11/18/71.

PART D [1]—SCHOLARSHIP GRANTS TO SCHOOLS OF NURSING

SCHOLARSHIP GRANTS

SEC. 860. (a) The Secretary shall make grants as provided in this part to each public or other nonprofit school of nursing for scholarships to be awarded annually by such school to students thereof.

[2](b) The amount of the grant under subsection (a) for the fiscal year ending June 30, 1972, and for each of the next two fiscal years to each such school shall be equal to $3,000 multiplied by one-tenth of the number of full-time students of such school. For the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending before July 1, 1974. : 82 Stat. 786.

[3](c)(1) Scholarships may be awarded by schools from grants under subsection (a)—

(A) only to individuals who have been accepted by them for enrollment, and individuals enrolled and in good standing, as full-time or half-time students, in the case of awards from such grants for the fiscal year ending June 30, 1972, and the next two fiscal years, and

(B) only to individuals enrolled and in good standing as full-time students who initially received scholarship awards out of such grants for a fiscal year ending prior to July 1, 1974, in the case of awards from such grants for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years.

(2) Scholarships from grants under subsection (a) for any school year shall be awarded only to students of exceptional financial need who need such financial assistance to pursue a course of study at the school for such year. Any such scholarship awarded for a school year shall cover such portion of the student's tuition, fees, books, equipment, and living expenses at the school making the award, but not to exceed $2,000 for any year in the case of any student, as such school may determine the student needs for such year on the basis of his requirements and financial resources.

(d) Grants under subsection (a) shall be made in accordance with regulations prescribed by the Secretary after consultation with the National Advisory Council on Nurse Training.

(e) Grants under subsection (a) may be paid in advance or by way of reimbursement, and at such intervals as the Secretary may find necessary; and with appropriate adjustments on account of overpayments or underpayments previously made.

1/ Pt. D added by sec. 8(b) of P.L. 89-751.

2/ Sec. 860(b) amended by Sec. 7(1) of PL 92-158, 11/18/71.

3/ Sec. 860(c) amended by Sec. 7(2) – (4) of PL 92-158, 11/18/71.

TRANSFERS TO STUDENT LOAN PROGRAM

SEC. 861.[1/] Not to exceed 20 per centum of the amount paid to a school from the appropriation for any fiscal year for scholarships under this part, or such larger percentage thereof as the Secretary may approve for such school for such year, may be transferred to the sums available to the school under this part for (and to be regarded as) Federal capital contributions, to be used for the same purpose as such sums.

SEC. 862.[2/]

78 Stat. 918; 82 Stat. 783, 787.
42 USC 298b.

GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR THE NURSING PROFESSION

[3/]

SEC. 868. (a) To assist in meeting the need for additional professional personnel in the nursing professions, the Secretary is authorized to make grants to public or nonprofit health or educational entities or enter into contracts with such entities not to exceed $100,000 per year per contract (without regard to section 3709 of the Revised Statutes (41 U.S.C. (5)) for the purpose of—

(1) identifying individuals with a potential for education or training in the nursing profession (including veterans of the Armed Forces of the United States with training or experience in the health field, and individuals who due to socioeconomic factors are financially or otherwise disadvantaged) and encouraging and assisting them (A) to enroll in a school of nursing which is accredited as defined in section 843(f); or (B) if they are not qualified to enroll in such a school to undertake such postsecondary education or training as may be required to qualify them to enroll in such a school;

(2) publicizing especially to licensed vocational nurses existing sources of financial aid available to persons enrolled in any such school or who are undertaking training necessary to qualify them to enroll in any such school; or

(3) establishing such programs as the Secretary determines will enhance and facilitate the enrollment, pursuit, and completion of study by individuals referred to in clause (1) in such schools.

(b) For the purposes of carrying out the provisions of this section, there is authorized to be appropriated $3,500,000 for the fiscal year ending June 30, 1972; $5,000,000 for the fiscal year ending June 30, 1973; and $6,500,000 for the fiscal year ending June 30, 1974.

DEFINITION OF ACADEMIC YEAR

SEC. 869. As used in this part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Secretary.

1/ Sec. 861 amended by sec. 223(a) of P.L. 90-490, effective with respect to appropriations for fiscal years after June 30, 1969.

2/ Secs. 862-867 deleted by sec. 223(a) of P.L. 90-490, effective with respect to appropriations for fiscal years after June 30, 1969.

3/ Sec. 868 amended by Sec. 8 of PL 92-158, 11/18/71.